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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE

(No Surface Use)		
THIS LEASE AGREEMENT is made this	19+	, 2008, by and between
Cynthia J. Trim, a Single Person		
whose addresss is 192 Kast Pichi Olay Cuffall F and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texa hereinabove named as Lessee, but all other provisions (including the completion of blank sp 1. In consideration of a cash bonus in hand paid and the covenants herein conta described land, hereinafter called lessed premises:	ns 75201, as Lessee. All printed pages were prepared jointly by Les	portions of this lease were prepared by the party
OUT OF THE SOUTH O	TEXAS, ACCORDING TO	, BLOCKO ON, AN ADDITION TO THE CITY OF THAT CERTAIN PLAT RECORDED TARRANT COUNTY, TEXAS.
In the County of Tarrant, State of TEXAS, containing		
2. This lease, which is a 'pald-up' lease requiring no rentals, shall be in force for a prias long thereafter as oil or gas or other substances covered hereby are produced in paying otherwise maintained in effect pursuant to the provisions hereof. 3. Royalties on oil, gas and other substances produced and saved hereunder shall be separated at Lessee's separator facilities, the royalty shall be The Production of the substances produced and saved hereunder shall be separated at Lessee's separator facilities, the royalty shall be The Production of control to the wellhead market price then prevailing in the same field (or if there is no such price the prevailing price) for production of similar grade and gravity; (b) for gas (including casi the production) for production of similar grade and gravity; (b) for gas (including casi the production) severance, or other excise taxes and the costs incurred by Lessee in delivering Lessee shall have the continuing right to purchase such production at the prevailing wellhead no such price then prevailing in the same field, then in the nearest field in which there is su the same or nearest preceding date as the date on which Lessee commences its purchases more wells on the lessed premises or lands pooled therewith are capable of either producing are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or producion are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or producion is not being sold by Lessee; then Lessee shall pay shut-in royalty of one dollar Lessor's credit in the depository designated below, on or before the end of said 90-day peri-while the well or wells are shut-in or production there from is not being sold by Lessee; provided following cessation of such operations or production therefore in the oppository of the production of such operations or production in the formation of such operations or production in the sade premises or lands pooled therewith, or if all production (whether or not	quantities from the leased premise a paid by Lessee to Lessor as foll LEAD (A) of such provided that Lessee shall have the prevailing in the same field, thing head gas) and all other subsee from the sale thereof, less a processing or otherwise marketly distributed in a prevailing price) pursuant to the earner of the reunder, and (C) if at the end of poll or gas or other substances contion there from is not being sold to per acre then covered by this lessed of the and thereafter on or before earned that if this lease is otherwise the therewith, no shut-in royalty shall in royalty shall render Lessee liable to Lessor's credit in at lessor's of said land. All payments or tends in a stamped envelope address or be succeeded by another institutional that in the event this lease is no or for drilling an additional well or one on such dry hole or within 90 distributed in force but Lessee is the main in force so long as any one of the completion of a well capab reasonably prudent operator wou usuantities on the leased premises in the completion of a well capab and premises or interest therein with the commencement of production of oil or gas or other substituted by any governmental authority exists with each of a cres plus a maximum acre provided that a larger unit may be intered and "gas well" means a pare barrel and "gas well" means a pare barrel and "gas well" means a	llows: (a) For oil and other liquid hydrocarbons roduction, to be delivered at Lessee's option to continuing right to purchase such production at en in the nearest field in which there is such a stances covered hereby, the royalty shall be a proportionate part of ad vatorem taxes and ing such gas or other substances, provided that of similar quality in the same field (or if there is comparable purchase contracts entered into on if the primary term or any time thereafter one or overed hereby in paying quantities or such wells by Lessee, such well or wells and helvertheless ays such well or wells are shut-in or production ase, such payment to be made to Lessor or to ch anniversary of the end of said 90-day period being maintained by operations, or if production be due until the end of the 90-day period next ble for the amount due, but shall not operate to address above or its successors, which shall ers may be made in currency, or by check or by ed to the depository or to the Lessor at the last tutlon, or for any reason fail or refuse to accept ion as depository agent to receive payments. lies (hereinafter calted "dry hole") on the leased cause, including a revision of unit boundaries of otherwise obtaining or restoring production. If at ten engaged in drilling, reworking or any other or more of such operations are prosecuted with istances covered hereby, as long thereafter as le of producing in paying quantities hereunder, it drill under the same or similar circumstances or lands pooled therewith, or (b) to protect the be no covenant to drill exploratory wells or any the respect to such other lands or interests, as to any or all cillon, whenever Lessee deems it necessary or the respect to such other lands or interests. The reage tolerance of 10%, and for a gas well or a erformed for an oil well or gas well or horizontat by having jurisdiction to do so. For the purpose governmental authority, or, if no definition is so well with an initial gas-oil ratio of 100,000 cubic

equipment; and the term "nonzontal completion" means an oil well in which the hortzontal component of the gross completion interval in the feservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revision are valided from the unit by valides of such revision, the proportion of with production on which revealed to grow the unit by valides of such revision.

leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The Interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the

8. The Interest of either Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lesses ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be releved of all obligations thereafter arising with respect to the transferred interest shall not affect the debts of arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be released of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the not expense interest so that here is the proportional between the shall be proportionately reduced.

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the teased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, Injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport producition. Lessee may use in such operations, free of cost, any oit, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority

having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, meterial, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is flitigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whote or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royally or other benefit. Such subsurface well bore easement

15. Lessor hereby warrants and agrees to defend litle conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) By: **ACKNOWLEDGMENT** knowledged before m 2008. KISHA G. PACKER POLK ry Public, State of Notary's name (printed): Notary's commission expires: Public, State of Texas My Commission Expires April 15, 2012 STATE OF COUNTY OF 2008 This instrument was acknowledged before me on the day of



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

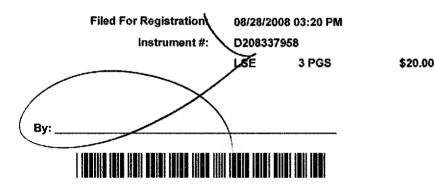
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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